



Australia's service sector booming

There has never been a better time to invest in Australia and capitalise on one of the world's fastest growing sectors.



Kaaren Koomen, President of the Australia Services Roundtable

Kaaren Koomen, President of the Australia Services Roundtable, said the services industry now provides almost 80 percent of Australia's Gross Domestic Product and employs 85 percent of the workforce, including 93 percent of university graduates.

"Services have become one of the most important sectors for GDP growth globally, particularly over the last 10 years. That presents a raft of opportunities for businesses looking for growth strategies," she said.

Ms Koomen said two factors weighed heavily in Australia's favour when investors were looking for a way into the rapidly expanding services sector in the Asia Pacific region.

First, Australia's highly regarded education system has produced world class graduates across all service industries including architecture, medicine, law, ICT and engineering.

Second, Australia's location means that it is close to one of the world's most dynamic regions – the Asia Pacific Basin. By the end of the decade Asia's middle classes are expected to have increased by 1.2 billion people, all of whom will be looking for services such as health, education, finance and tourism.

"Any European companies which want to invest in Asia would do well to consider either investing in or partnering with Australian companies which already have a good foothold in the Asia Pacific market. In 2010 Australia's largest services export market was China," she said.

"Another option is to use Australia as a headquarters for delivering services to a number of countries in the AP region," she said. "An added incentive for basing here is that several Australian cities are in the top most 'liveable' cities in the world.

"Of course, there is also an opportunity to invest in the Australian services marketplace in its own right. The strength and open nature of the Australian economy, a world class banking sector and our stable legal and political framework make it a very attractive place to do business.

"Australia's biggest services exports are education and tourism, followed closely by financial services. The GFC delivered an enormous financial shake-up to the world – and it also led to four of the top ten banks being Australian – which says much about our economy and business environment. As the Asia Pacific region grows it will increasingly look for a range of financial services that Australia is ideally positioned to provide. The opportunity for European banks and companies to partner with Australian firms to capitalise on that market is enormous."

Many companies have already seen the opportunities that Australia has to offer. Ms Koomen is also Director of Government Relations for IBM Australia/New Zealand. "IBM considers the skills and multicultural nature of the Australian workforce a real strength in the region," she said. As an example she pointed to IBM providing technical support across Asia in 10 different languages from support centres on the Gold Coast in Queensland.

IBM has also recently invested in a Research and Development Laboratory at the University of Melbourne in key focus areas of neuroscience, protein science and structural biology.

"It is no coincidence that IBM is investing in these areas in Australia, where the level of innovation and skills capability is internationally recognised. Importantly, each Laboratory's focus area has vast potential not only in the Australian market but globally," she said.

"All the indicators are that the next two decades will see a major transformation of the world economy, and the Australian services sector plans to play a key role in it," she said.

Springboard into China

Read Trade Minister Craig Emerson's recent speech to the Commonwealth Business Forum on Australia as a springboard for European businesses into China:

http://www.trademinister.gov.au/speeches/2011/ce_sp_111025.html

Austrade Benchmark Report

The 2011 Benchmark Report provides a comprehensive overview of Australia's performance across a wide range of economic and social indicators.

www.austrade.gov.au/Benchmark2011

Australian Wins Nobel Physics Prize

Australian National University's (ANU's) astronomer Brian Schmidt has been named a joint winner of the 2011 Nobel physics prize for his research into supernovae. He shared the award with Americans Saul Perlmutter and Adam Riess. It is the 12th Nobel Prize for an Australian, and the first in physics since 1915. For more information: <http://minister.innovation.gov.au/carr/mediareleases/pages/australiannobelprizewinnercongratulated.aspx>

- > Australian services exports to the EU totalled \$A8.5 billion in 2010 (16% of total exports). Australia imported \$A12.5 billion in services from the EU (22% of total imports) in the same period.
- > Services comprise more than one quarter of total two-way trade between the EU and Australia.
- > The main trade in services between the EU and Australia is in travel and transportation. In 2010, personal travel (excluding education) services were ranked Australia's third-largest export to the EU, after gold and coal, valued at \$A4 billion.
- > Two-way trade in education-related travel services totalled \$A1.1 billion, placing the EU as Australia's third-largest trading partner in education-related services after China and India.

Source: Delegation of the European Union: European Union & Australia – Key Facts

DID YOU KNOW?

Australia's Carbon Legislation passes

On 8 November the Australian government passed the 'Carbon Energy Future' Package, forecast to cut national carbon emissions by at least 160 million tonnes by 2020. A fixed carbon price of A\$23 a tonne will apply from 1 July 2012, moving to a flexible price after three years.

Under the Government's reforms around \$100 billion is expected to be invested through to 2050 in the renewable and clean energy sources of the future. Treasury modelling shows that by 2050 the renewable energy sector (excluding hydro) will be 18 times larger than it is today as a result of the Government's Clean Energy Future plan.

The package includes the creation of the Clean Energy Finance Corporation which will have \$10 billion in funds available to invest in businesses seeking to get innovative clean energy proposals and technologies off the ground and the creation of the Australian Renewable Energy Agency. ARENA will administer \$3.2 billion in Government support for research and development, demonstration

and commercialisation of renewable energy technologies.

For further information download media releases:

- > [Australia Poised for a Clean Energy Future](#) (Prime Minister, 8 November 2011)
- > [Driving Investment in Renewable Energy](#) (Joint Ministerial, 8 November 2011)
- > [Senate vote signals new era for Australia's electricity sector](#) (Clean Energy Council, 8 November 2011)

Media reports & links:

- > AUSTRALIA'S economy is enjoying an Indian summer as households shop, mining companies invest and even manufacturers manage to squeeze some growth out of exporting. [Read the story.](#)
- > AUSTRALIA is negotiating a legally binding treaty with Europe that may cover both investment and disputes. [Read the story.](#)

Growth in Australia-Spain Relations Recognised in King of Spain honour list

HM King Juan Carlos I of Spain recently awarded one of Spain's highest civil awards, the Great Cross of the Order of Civil Merit, to Mr Noel Campbell, former Australian Ambassador to Spain (2006-2009) for his efforts in greatly strengthening relations between Australia and Spain.

Thirty Australian Architecture Projects in WAF Finals

An outstanding contingent of Australian architecture projects has been shortlisted as finalists in the World Architecture Festival, the world's biggest architecture competition making Australia one of the most represented countries in the awards' finals. Finalists will present their projects to the jury in Barcelona from 2-4 November 2011. For information on the Australian finalists, please see the following link:

<http://www.architectureanddesign.com.au/article/World-Architecture-Festival-Awards-shortlist-announced-with-30-Australian-projects/531236.aspx>

TOGA WRAPS GERMANY IN AUSSIE HOSPITALITY

Recognising the potential for growth via its Adina Apartment Hotel concept, Toga made a strategic business move into Germany four years ago. Whilst widely utilised by business travellers in Australia, apartment hotels are a relatively under-developed niche in the European market. Toga now owns and operates five Adina Apartment Hotels across Germany in Berlin, Hamburg and Frankfurt and three apartment hotels in Sydney, Copenhagen and Budapest.

Having had a team in Europe for several years, Toga has been able to research and successfully identify growth opportunities, as well as potential locations and sites. Toga continues to focus the high quality Adina Apartment Hotels brand product towards both the corporate and leisure travel markets in major commercial cities, currently dominated by hotels with smaller rooms.

While other companies are cautious about Europe, Toga regards the long term potential of the Adina Apartment Hotel product in Europe as enormous. Toga plans to continue its successful formula of investing counter cyclically to secure properties at good value throughout different countries. www.adina.eu

Architecture Cooperation Leads to 6 Star Results

Winner of the DEXUS/City of Sydney design competition Architectus Sydney, in association with Ingenhoven Architects (Germany), has created a highly sustainable office tower that has achieved a 6 Star Green Star Office Design V2 Certified Rating from the Green Building Council of Australia.

The 27 story office tower at 1 Bligh Street, Sydney which was developed by DEXUS Property Group, DEXUS Wholesale Property Fund and Cbus Property, was officially opened on 30 August 2011 by the Prime Minister of Australia the Honourable Julia Gillard MP.

The project is Australia's first high rise office building with a double skin glass façade and features a 130 metre high naturally ventilated atrium, black water recycling which will save 100,000 litres of drinking water per day, rainwater harvesting and post-tensioned concrete to reduce the use of columns and concrete in the design.

Green Star is a comprehensive, national, voluntary environmental rating system undertaken by the Green Building Council of Australia (GBCA) that evaluates the environmental design and construction of buildings. The 6 Star Green Star Rating is the highest awarded by the GBCA.

Ray Brown, Director of Architectus Sydney, said: "The collaboration with Ingenhoven Architects on 1 Bligh made it possible to challenge preconceptions in office building design in Australia – and the result is a building that sets a new benchmark in sustainable high rise.

To view the project visit: <http://www.architectus.com.au/projects/1-bligh-street-sydney>



Left to right: City of Sydney Lord Mayor Clover Moore, Christoph Ingenhoven (Principal, Ingenhoven Architects), the Prime Minister of Australia, the Hon. Julia Gillard MP Ray Brown (Director, Architectus)

Photo by: Peter Hyatt

Australian investment pays for Credit Suisse

Credit Suisse, established in Australia in 2006, was named Best Private Bank in Australia by *Euromoney* magazine (based on the results of its 2011 Private Banking Survey).

When asked about the business growth of this international bank in Australia, Credit Suisse Private Banking Managing Director Shane Galligan gets to the point.

“In a word – exponential,” he says. “And long may it continue. We are very happy with our growth in Australia. Our clients here appreciate our investment model.”

Galligan explains that Australian investors and high net worth individuals (HNWI) were seeking what Credit Suisse Private Banking offers – a wider range of investment services outside the usual property and equities markets so popular in Australia.

Credit Suisse finds Australia’s growing number of HNWIs as sophisticated as any investors in the world. Despite its relatively small population, Australia offers a competitive regional location for providing wealth management services. It also has the third

largest market of HNWI population and wealth in the Asia-Pacific, after Japan and China, with almost 6 per cent of the region’s HNWI wealth, valued at US\$519 billion. In fact, Australia’s HNWI population is 27 per cent higher than Hong Kong and Singapore and 29 per cent higher than India, the next largest markets.

For further information on their investment in Australia read our Success Stories:

<http://www.austrade.gov.au/Invest/Doing-Business-in-Australia/Success-Stories/Australian-investment-pays-for-Credit-Suisse>

Web Solutions Bridge Time Differences

Squiz, www.squiz.com.au a leading provider of content management systems (CMS), established an office in Poland in 2008. Initially managing with only a couple of employees the office now employs 21 highly qualified IT specialists and is responsible for business in continental Europe. Polish engineers also work on projects in the UK and Australia where the time differences mean work is completed in Poland during the Australian night.

The company can be proud of a number of projects implemented in Poland such as B2B portal for Polish National Television, website for the Polish Geological Institute and extranet for the Polish State Lottery. A recent marketing seminar conducted at Austrade’s Warsaw office was attended by potential customers including Polish government agencies and universities looking for new ideas to manage their increasing information and media requirements.

EU President visits Australia

Prime Minister Julia Gillard and European Commission President José Manuel Barroso emphasised the new phase of closer cooperation between Australia and the European Union (EU), during bilateral talks in Canberra on 5 September 2011 as part of his first official visit to Australia. They pledged to strengthen and position the Australia-EU partnership for the long term. A commitment was made to start negotiations in the very near future on a broad-ranging, treaty-level bilateral agreement, which would provide an overarching framework for joint action in areas such as foreign and security policy, development cooperation, trade and investment, climate change and environment, research, science, innovation and education.

<http://www.pm.gov.au/press-office/joint-statement-president-european-commission>

Australia and Poland discuss better Methane

Representatives from Australia’s Department of Resources, Energy and Tourism, CSIRO and commercial operator Dart Energy provided presentations on developments in Australia relating to utilisation of coal bed methane and “gassy” mines at the Global Methane Initiative meeting held in Krakow, Poland in October.

Given the reliance on coal as a primary energy source for both countries Australian

delegates had much to discuss with their Polish counterparts.

Austrade in Poland is promoting greater collaboration between Polish and Australian researchers and commercial entities in the mining and methane sectors where both countries can benefit from closer ties and exchange of expertise and implementation of technology solutions to increase energy efficiencies and control emissions.



Business was brisk on Austrade’s Future Unlimited stand at EAIE 2011.

Future Unlimited takes centre stage at Europe’s largest education exhibition

The attendance of 33 of Australia’s 39 universities at the European Association for International Education (EAIE), Europe’s largest international education event in Copenhagen, made 2011 a landmark year for Australian participation and sent a clear signal that Australian universities are serious about expanding partnerships and raising their profile in Europe.

A team of Austrade staff from Milan, Frankfurt and London led by Dr Nicholas Baker, Trade Commissioner to France and Manager Education Europe, coordinated the launch of the Future Unlimited brand at a networking reception for 240 people held at the Aquarium in the Tivoli Gardens on the eve of the conference. James Choi, Ambassador for Australia in Denmark, addressed the audience which included senior representatives from Australian universities and their international guests as well as Gudrun Paulsdottir, EAIE President.

Australian participants described the conference as an essential forum for strengthening existing links and establishing new ones in Europe.



Focus on: Denmark

IT is a symbol of pride for two nations. For Australians Sydney Opera House is the iconic design that conveys the spirit of the nation. For Danes it is the ultimate export of the knowledge and skill of architect Jorn Utzon.

Sydney Opera House is the most visible link between the countries but there are many more that show a long history and bright future for investment and trade between the two nations.

The Danes are renowned for producing high quality goods and driving innovation in the clean energy and pioneering medical fields. These have translated in strong Danish investment in Australia that has generated many Australian jobs.

Danish architect Jan Gehl is helping to redesign the City of Sydney to make it more pedestrian friendly. The architect's emphasis on cycling underscores Denmark's commitment to developing a key export area of green energy solutions. Many of those will be showcased when the official Danish business delegation comes to Australia next month.

Susanne Shine, Denmark's Ambassador to Australia, said: "There is great potential for Danish companies to develop business relations with their Australian counterparts in such areas as smart cities, clean energy and food technology. That's why no less than 50 Danish companies visit Australia in November this year."

Ambassador Shine said: "This underlines the strong interest among Danish companies in the Australian market and I am confident that Australian business executives will find that their Danish counterparts have something innovative and useful to offer."

Almost 100 Danish companies have Australian subsidiaries including shipping giant Maersk and high quality electronics supplier Bang and Olufsen. In the medical field the major Danish pharmaceutical companies in Australia are Nordisk, Lundbeck, and Leo Pharma, which has just opened a plant in Brisbane. Seventy percent of Australia's wind turbine technology is supplied by Vestas International Wind

Technology, which has branches in Victoria and Tasmania.

At the same time Denmark offers great opportunities for Australian companies looking to expand into Europe. Denmark has a landmass 180 times smaller than Australia and a population of just 5.4 million. The people are well educated with excellent English, much of the population has a university degree, and it offers a flexible and safe business environment.

It is regularly ranked as one of the best locations for doing business. In 2010 Forbes placed Denmark at Number One for Business for the third year running and the World Bank's "Ease of doing business Report" has put Denmark second in Europe and sixth in the world. That makes Denmark an ideal gateway for Australian companies looking to access Northern Europe and its 100 million consumers.

The Danish economy has weathered the Global Financial Crisis better than many other EU countries, with an inflation rate of 1.7% in 2010 and forecasted at 2.0% for 2011. The current level of unemployment in Denmark is 4.2%. It is a stable environment for Australians looking to invest or develop business opportunities.

Medicon Valley, one of Europe's top three sites for biotech innovation, spearheads the Danish biotech cluster with a strong presence and close collaboration between universities, hospitals and companies. The biotechnology companies are major world players, and are actively seeking R&D partners in areas such as enzymes, CNS research, diabetes care and cancer research.

Centenary of trade and investment – Australia and Sweden

The Swedish Australian Chamber of Commerce, the oldest Chamber after the British, celebrated its Centenary of operations with a Gala dinner in Sydney. The celebrations, hosted by Her Royal Highness, Princess Birgitta of Sweden and Hohenzollern, acknowledged the strong trade and investment ties between the two nations. About 150 Swedish companies have a presence in Australia and total Swedish investment is estimated at about A\$3.1 billion. Sweden's dynamic economy – which is one of the fastest growing in Europe – has also attracted a lot of Australian investment, estimated at about A\$4.2 billion in 2010.

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This edition of the magazine features astrophysicist Professor Bryan Gaensler on the cover as well as profiling young social entrepreneurs, Australians playing in the world's best orchestras and global business innovators.

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<http://itunes.apple.com/us/app/australia-unlimited/id469823479?i=1&mt=8>

Also the newly elected Danish Government has announced policies that offer opportunities to Australian innovators. These include a 40 percent reduction in carbon emissions and half of the country's energy to be sourced by wind by 2020.

In total Australia annually imports over \$1 billion of Danish goods, the largest proportion being Danish pork. At the same time Australia exports \$143 million worth of goods and services to Denmark.

However for many Australians the most affectionate link with Denmark is that Crown Prince Frederick is married to an Australian, Princess Mary. The royal couple are leading a business delegation to Australia at the end of November.

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